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Via Email

Hon. Elizabeth S. Stong
U.S. Bankruptcy Court, EDNY
Conrad B. Duberstein Courthouse
271-C Cadman Plaza East – Suite 1595
Brooklyn, NY 11201-1800
Sheree_jackson@nyeb.uscourts.gov

July 21, 2022

Re: In re Sid Boys Corp., d/b/a Kellogg's Diner
Chapter 11 Case No. 21-42207-ess

Dear Judge Stong:

Our firm represents the Debtor, Sid Boys Corp., d/b/a Kellogg's Diner. As the Court is aware, our firm was first contacted by the Debtor on June 13, 2022 and retained shortly thereafter. Our firm worked quickly to familiarize itself with the underlying facts of the Case and assisted the Debtor and its original counsel, the Law Offices of Rachel L. Kaylie, in timely filing a plan of reorganization and disclosure statement and making other progress with its creditors.

At the conference held on July 5, 2022, the Court requested status letters from the parties in advance of the July 28, 2022 status conference to be delivered on July 21, 2022. Since the July 5 status date, the Debtor has made additional progress in the Bankruptcy Case. On July 7, 2022, the Debtor filed a Motion to Extend the Deadline to Confirm a Plan of Reorganization Pursuant to 11 U.S.C. § 1129(e) and § 1121(e)(3), as discussed at the prior hearing and pursuant to a stipulation agreed to by three of Debtor's creditors, including its largest creditor. On July 9, 2022, it delivered to the U.S. Trustee its current workers' compensation policy also requested at the last hearing. Moreover, Debtor's counsel has been in communication with Marcum LLP ("Marcum"), which has a pending application for employment as accountant, regarding certain concerns raised by the U.S. Trustee related to language contained in Marcum's engagement letter. Our firm believes progress has been made toward resolving such concerns and intends to file an amended employment application on behalf of Marcum as requested by the U.S. Trustee in advance of the July 28, 2022 hearing.

On July 6, 2022, Debtor also received from counsel for 514 Fioto Property Corp. and 518 Metropolitan Avenue Corp. (the "Landlord Creditors") a detailed, five page list of questions and other information sought by the Landlord Creditors. Debtor and its counsel promptly began working to provide answers to the Landlord Creditors and delivered some requested information

as soon as the same afternoon it received the requests. We also began to research issues related to the Landlord Creditors' concern regarding a second bankruptcy case if a consensual plan is reached. The resolution of Marcum's retention and the steps toward resolving those issues is important in order to fully address questions raised by the Landlord Creditors.

However, circumstances beyond the Debtor's control prevented further progress as of the date of this letter, specifically that our firm had a one week trial scheduled from July 18, 2022 to July 22, 2022. The week leading up to the trial was unusually busy—even for trial attorneys—because our firm was retained on an emergency basis only a few weeks prior, in order to assist the client's current counsel, who practices litigation, but had not previously done trial work. In addition to the already emergency nature of our retention, a number of unexpected factors arose during the week leading up to trial arose that required substantial time and attention, including the production of hundreds of pages of additional documents by the opposing party, for which it was sanctioned. Moreover, our co-counsel and his family were present at the July 4, 2022 Highland Park, Illinois shooting, following which our co-counsel suffered from post-traumatic stress disorder and was unable to assist with or participate in the trial as anticipated. A request for a continuance was denied. Nevertheless, after stepping into the case only weeks earlier and winning some immediate relief at the trial, late in the afternoon on July 20, 2022, our firm was able to settle the case, which involved tens of millions in claims on both sides and had been pending for approximately thirteen years.

While the timing of the trial made it difficult to make more progress in the instant case during the last three weeks, we remain cautiously optimistic that we will be able to assist the Debtor and its creditors in reaching a similar, consensual resolution in this matter, as we did in the thirteen-year-old case. It must be noted that the day after the settlement was reached (and the date of this letter), both Alanna Morgan and Keevan Morgan ("Mr. Morgan"), who is 72, tested positive for Covid-19. Both are symptomatic and Mr. Morgan is quite ill. Although we hope for a speedy recovery, it is important for him to rest in order to do so. Although substantial work remains to be done in this case, we reasonably expect that further progress will be reported at the July 28, 2022 hearing date and will continue thereafter to reach a resolution in the best interests of the Debtor, its creditors, and the bankruptcy system.

Very Truly Yours,

A handwritten signature in blue ink that reads "Alanna Morgan". The signature is fluid and cursive, with the first name "Alanna" and last name "Morgan" clearly distinguishable.

Alanna G. Morgan